

VZCZCXYZ0012  
OO RUEHWEB

DE RUEHNR #5103/01 3470936  
ZNY CCCCC ZZH  
O 130936Z DEC 05  
FM AMEMBASSY NAIROBI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8374  
INFO RUEHDS/AMEMBASSY ADDIS ABABA PRIORITY 8079  
RUEHDR/AMEMBASSY DAR ES SALAAM PRIORITY 4342  
RUEHKM/AMEMBASSY KAMPALA PRIORITY 1004  
RUEHLO/AMEMBASSY LONDON PRIORITY 1803  
RUEHFR/AMEMBASSY PARIS PRIORITY 1800  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L NAIROBI 005103

SIPDIS

SIPDIS

LONDON AND PARIS FOR AFRICA WATCHERS  
STATE FOR AF/E, AF/EPS, EB/IFD  
TREASURY FOR ANNE ALIKONIS

E.O. 12958: DECL: (###)  
TAGS: [ECON](#) [PGOV](#) [KCOR](#) [KPAO](#) [PINR](#) [KE](#)  
SUBJECT: CORRUPTION IN KENYA - JOHN GITHONGO PREPARES TO TELL  
ALL

Ref: 11/28/2005 Hoover/Yamamoto and subsequent e-mails

Classified By: ECON COUNSELOR JOHN HOOVER. REASON 1.4(B) and  
(D).

¶1. (C) Summary: Former Kenyan "anti-corruption czar" John Githongo has organized all of the evidence of wrongdoing in his possession and put it into a single seamless narrative detailing the grand scale corruption committed by several of the highest-ranking and most influential ministers and advisors in the Kenyan administration of Mwai Kibaki between 2002 and 2004. All but one of the ministers exposed in Githongo's soon-to-be-published report was reappointed by Kibaki in his recent December 7 cabinet reshuffle. Githongo intends to go public with his report in the coming days or weeks - an event which will surely increase the pressure on the embattled Kenyan president. However, it is doubtful the report, no matter how compelling or how well supported with material evidence, will lead to a sea change in the Kibaki administration's willingness to take on entrenched corruption within its upper ranks. End summary.

¶2. (C) Econ/C met December 10 with Mugo Githongo, brother of John Githongo, former Kenyan Permanent Secretary for Governance and Ethics. (Background note: John Githongo, dubbed until then Kenya's "anti-corruption czar," resigned and took up self-imposed exile in the UK in February. He is currently in the United States on an International Visitor program. End note). The purpose of the meeting was to allow Econ/C to review (but not retain) a letter dated November 26 written by John Githongo to Kenyan President Mwai Kibaki, and to also examine an attached 19-page dossier containing information about "the most egregious" cases of high-level corruption within the Kibaki administration, as investigated by Githongo during his tenure in office. Mugo Githongo told Econ/C that the dossier is a summary version of a 91-page report completed by his brother in September based on all the evidence on corruption in the Government of Kenya (GOK) amassed during his time in office.

-----  
Githongo Letter to Kibaki: Reaching Out One Last Time  
-----

¶3. (C) As noted in referenced e-mails, Githongo's November 26 cover letter to Kibaki was written during the period after

Kibaki dismissed his cabinet on November 23, which in turn followed his camp's resounding defeat in Kenya's constitutional referendum two days earlier. The cover letter represents an attempt by Githongo to discreetly reach out to Kibaki, to remind him of "incontrovertible material evidence" of corruption in his possession (as detailed in the dossier), and to reiterate that this evidence links several of the "senior-most officials" in Kibaki's administration to major graft cases. The letter is not a self-serving offer to return to government by Githongo. In fact, he closes it by merely offering to hel in resolving the corruption cases he had investigated and "to contribute to processes to ensure they are not repeated in the future."

---

#### Truth Better than Fiction: Chronology of Grand Scale Theft

---

¶4. (C) The best reading, however, is in the 19-page summary dossier, or "Statement of Events", a day-by-day account beginning in early 2004 of Githongo's investigation of a series of related scams involving illegal, shadowy, defense and security-related procurement contracts, including not least the now-infamous Anglo-Leasing scandals, in which the government entered into two different contracts worth a collective \$89 million to a non-existent finance company before any goods and services had ever been delivered.

¶5. (C) The dossier offers nothing strikingly new in the way of evidence or conclusions about the high-level, grand scale corruption that began to come to light beginning in the spring of 2004. In fact, the information in the dossier is consistent with much of what Embassy Nairobi received and reported from Githongo and others at that time, and on up to the present day. The value it adds is in stitching the many pieces together into a coherent narrative. In so doing, it

offers a damning indictment of an administration that sold its soul from the very outset by putting personal greed and power politics ahead of good governance.

---

#### A Who's Who of Corrupt Ministers and Advisors

---

¶6. (C) The Statement of Events directly links several former and/or recently renamed ministers and advisors in Kibaki's inner circle with the Anglo-Leasing and a series of other similar security-related procurement scams. Some are direct participants in the graft, others willing accomplices, and others merely complicit. Among the highlights:

-- Chris Murungaru, National Security Minister (until February 2005) and Alfred Getonga, Office of the President: The dossier is peppered with Murungaru's name. On several occasions, Justice Minister Kiraitu Murungi admits to Githongo with surprising openness that Murungaru and Getonga were the ones behind Anglo-Leasing (see below), but that Murungaru is too powerful politically to touch. Murungaru throughout is shown to impede and block investigations, and to put pressure on Githongo and the Kenya Anti-Corruption Commission (KACC) to back off on their investigations because of the potential "political costs" involved.

-- David Mwiraria, Finance Minister: The dossier starts out with Mwiraria quizzing Githongo about an investigation into shadowy bank transfers involving Anul Perera, a businessman widely believed to be the private sector brains behind many corrupt procurement scams both before and after the NARC came to power. In the conversation, Mwiraria implores Githongo to go easy on Perera, whom Mwiraria insists is an honorable, upstanding businessman and friend of President Kibaki, having once paid the latter's UK hospital bills. In June 2004, Githongo catches Mwiraria in a bald lie when the latter insists he had not budgeted for a KSh 222 million (\$3 million) payment to Anglo-Leasing, even after it was clear the company was non-existent. The same month, Mwiraria in Githongo's presence orders an aide to call Deepak Kamani, the private

sector conspirator behind Anglo-Leasing, to tell him to repay the money he had received for the bogus contracts. This startles Githongo, because Mwiraria had all along insisted he did not know who was behind Anglo-Leasing. Once money does begin to be mysteriously returned to the Kenyan Central Bank due to Githongo's investigations, Mwiraria and others in the administration repeatedly pressure Githongo to "go easy" on the investigations. Finance Permanent Secretary Joseph Kinyua, with whom Githongo develops a good relationship, tells Githongo in the second half of 2004 that he is under intense pressure by Mwiraria to authorize payments for a suspicious contract with a Spanish shipbuilder to build a frigate for the Kenyan Navy.

-- Kiraitu Murungi, Justice Minister (reappointed Energy Minister November 7): Murungi is perhaps the story's most complex character, tortured by the knowledge of the graft around him, but also ultimately an integral part of it. In a June 29 meeting with Githongo, an emotional Murungi admits that the Anglo-Leasing scandal "is us," i.e. Murungaru, Getonga, and others. He appeals to Githongo's patriotism and political loyalty to Kibaki, insisting the stolen money is needed for "political fund raising". In a similar subsequent discussion with Githongo, Murungi warns Githongo that exposure of senior NARC leaders in "another Goldenburg" will bring down the Kibaki administration. In yet another conversation with Githongo in the fall of 2004, Murungi "lets his guard down" and directly links Murungaru and Getonga with Anul Perera in connection with the Navy frigate scam. He openly tells Githongo that the contract needs to be paid to raise money for political campaigns, and that Githongo's investigation is thereby undermining the party's power.

-- Few Are Untouched: Githongo's dossier also implicates Vice President Moody Awori, Simeon Nyachae (ex-Energy Minister, reappointed Roads Minister November 7), Head of Civil Service Francis Muthaura, and a panoply of lesser civil servants, only some of whom were dismissed in June 2004 and are in the slow process of being prosecuted. In the private sector, in addition to masterminds Kamani and Perera, Amcit Charles Kettering is placed at the center of a series of procurement

scams, including a deal to build a national communication backbone for the military. KACC Director Aaron Ringera is not implicated in any wrongdoing, but comes off as weak-willed when he tells Githongo he is in the unenviable position of knowing too much. He warns Githongo that "they" will kill Githongo if he tries to leave Kenya. Ringera admits he himself won't touch any cases that "reach the President."

-----  
Kibaki Is At Least Complicit  
-----

17. (C) But what of President Kibaki himself? The dossier is not definitive in this regard, but throughout the chronology, Githongo is regularly briefing Kibaki on his findings. Kibaki's lack of action in response to the evidence would appear to indicate he either actively participated in the corruption, or else felt the graft was a necessary political expedient to raise cash for political campaigns. Kibaki's true position emerges indirectly in the narrative when Githongo realizes that Murungi's surprising candor about Murungaru's involvement in the frigate scam, given in the knowledge that Githongo had direct access to Kibaki, means that the latter is at least complicit and that Githongo's position is thus "untenable." Mugo Githongo later told Econ/C that his brother remains "quite fond" of Kibaki, and that the longer 91-page report paints Kibaki more as a befuddled victim than an active conspirator.

-----  
Corruption by the Numbers  
-----

18. (C) The scale of grand scale corruption in the NARC administration as reported by Githongo would have a direct, negative macro-economic impact on a struggling economy of around \$20 billion in size in 2005. In the course of his

chronology, Githongo concludes in July 2004 that the NARC administration had itself initiated \$277 million worth of bogus security-related contracts, and was also participating in another \$443 million of similar contracts signed by the previous government in the period from 2001 until late in 2002, after which NARC came to power. Githongo later surmises that including an even more shadowy set of deals involving the Kenyan Department of Defense, the total of all such "Anglo-Leasing-type" deals added up to over \$1 billion.

----- --  
Next Steps: Githongo to Go Public with Evidence  
----- --

¶9. (C) According to Mugo Githongo, a copy of the letter and the summary dossier were conveyed to the KACC on December 13, and his brother intends to go public in the coming days by way of an op-ed he is now drafting which will be published in the international media. How and when he will convey his longer, more detailed 91 page report to Kenyan authorities and/or the public remains to be seen, but Mugo Githongo said his brother hopes to return to Kenya in January, and will make himself available to the KACC and/or others to provide evidence and testimony in the cases he was investigating. Mugo Githongo intends to provide a hard copy of the 19-page dossier to us in the coming days, at which time we will scan and e-mail to concerned Washington offices. Another sidelight: John Githongo passed a copy of his November 26 letter to Kibaki to the Nation newspaper in Nairobi late in the week of December ¶5. As of December 13, the paper has sat on the letter and not run a story.

-----  
Comment  
-----

¶10. (C) Once it is made public, the Githongo dossier is very likely to put further pressure on the now-reconstituted Kibaki administration, particularly since all of the ministerial-level officials named and shamed in the dossier, except for Chris Murungaru, have been invited back into Cabinet. However, given that Kibaki has known about the wrongdoing among his closest advisors for quite some time and done almost nothing about it, we are under no illusion that he will use the dossier, and the public outcry it will generate, to clean

house and truly make fighting corruption a priority. It is very clear from the dossier that Kibaki's inner circle never cared much about fighting corruption; indeed it quickly turned to the same patterns of grand scale theft used by the previous regime as a means to maintain its grip on power. Githongo, it seems, was brought in as window dressing to fool the Kenyan public and donors. It is lucky for Kenya, however, that before he left, Githongo was able to amass evidence that will soon expose the very lie perpetrated by the NARC power elite when it came to power.

BELLAMY